

Message Text

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ACTION AGRE-00

INFO OCT-01 ARA-14 EUR-12 ISO-00 EB-08 COME-00 CIAE-00

INR-07 NSAE-00 TRSE-00 /042 W

-----042703 151932Z /53

R 151851Z AUG 77

FM AMCONSUL RIO DE JANEIRO

TO SECSTATE WASHDC 5212

AMEMBASSY BRASILIA

AMCONSUL SAO PAULO

AMEMBASSY LONDON

UNCLAS RIO DE JANEIRO 3887

DEPT PASS MCCONNELL FAS/USDA

E. O. 11652: N/A

TAGS: BR, AGR, FTRD

SUBJ: BRAZILIAN COFFEE INSTITUTE RESOLUTIONS

1. ON AUGUST 12, 1977 THE PRESIDENT OF THE BRAZILIAN
COFFEE INSTITUTE (IBC) SIGNED THREE RESOLUTIONS INTO FORCE.
THEY ARE:

A. IBC RESOLUTION 28/77 1) OPENS REGISTRATIONS OF COFFEE
SALES DECLARATIONS FOR EXPORT, AS OF AUGUST 15, FOR SHIPMENTS
BETWEEN SEPTEMBER 1ST AND OCTOBER 31, 1977 AND 2) MAINTAINS
THE MINIMUM EXPORT PRICE OF US\$3.20 PER POUND OF GREEN NATURAL
AND GREEN DECAFEINATED COFFEE.

B. IBC RESOLUTION 29/77 1) OPENS REGISTRATION FOR SALES
DECLARATIONS OF SOLUBLE COFFEE FOR EXPORT, AS OF AUGUST 15,
AND FOR THE SAME SHIPPING PERIOD SET IN RESOLUTION
28/77 ABOVE; 2) MAINTAINS THE MINIMUM EXPORT PRICES
FOR SOLUBLE COFFEE AT US\$7.00 AND US\$8.00 PER POUND
OF SPRAY-DRIED AND FREEZE-DRIED SOLUBLE COFFEE
RESPECTIVELY; AND 3) MAINTAINS THE CONTRIBUTION
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QUOTA VALUE ON ALL SOLUBLE COFFEE EXPORTS AT US\$3.20
PER POUND;

C. IBC RESOLUTION 30/77 PROVIDES THAT IBC WILL BUY 1977/
1978 CROP COFFEE FROM GROWERS AND/OR THEIR COOPERATIVES
AT THE PRICE OF CR\$2,000 PER 60 KILO BAG (US\$137.00
PER BAG AT CURRENT OFFICIAL RATE OF EXCHANGE OF

CR\$14.56 PER US\$) DELIVERED AT IBC WAREHOUSES IN THE INTERIOR WITH ALL THE RESPECTIVE TAXES PREVIOUSLY PAID (RETURN TO GROWER AFTER TAXES IS APPROXIMATELY CR\$1650-1700 OR DOLS 113 TO 117).

2. THE MINISTRY OF INDUSTRY AND COMMERCE, UNDER WHOSE JURISDICTION IBC FALLS, ISSUED PRESS RELEASE AUGUST 12, 1977 STATING THAT PRINCIPAL OBJECTIVE OF BUYING COFFEE, FROM GROWERS AND GROWERS CO-OPS, AT CR2,000 PER BAG PRICE IS TO BUILD UP GOVERNMENT COFFEE STOCKS WHICH ARE PRACTICALLY DEPLETED.

3. THE AUGUST 13 PRESS IN RIO DE JANEIRO AND SAO PAULO DESCRIBE PRELIMINARY REACTIONS OF GROWERS AND EXPORTERS TO ABOVE IBC MEASURES AS ONE OF DISAPPOINTMENT. GROWERS STATED THAT CURRENT TAXES AND CHARGES WILL REDUCE THE GROSS IBC BUYING PRICE OF CR\$2,000 TO CR\$1,650/1,700 PER BAG. PRESS REPORTS, GROWERS ARE LIKELY TO SEEK LOW INTEREST GOVERNMENT LOAN OF CR\$1,000 PER BAG (CALCULATED AT 80 PER BAG) AND WAIT FOR EXPECTED INCREASE IN MARKET PRICES RATHER THAN SELL TO IBC AT THE NET PRICE OF CR\$1,650/1,700 PER BAG. EXPORTERS ARE REPORTED TO BELIEVE THAT IBC RESOLUTION MAINTAINING THE MINIMUM EXPORT PRICE OF US\$3.20 PER POUND OF GREEN COFFEE, (SUBSTANTIALLY ABOVE CURRENT INTERNATIONAL QUOTATIONS) WILL KEEP BRAZIL OUT OF THE COFFEE EXPORTS MARKET FOR SOME TIME TO COME.
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Message Attributes

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Copy: SINGLE
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Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: n/a
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Executive Order: N/A
Errors: N/A
Expiration:
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From: RIO DE JANEIRO
Handling Restrictions: n/a
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TAGS: EAGR, ETRD, BR, IBC, BRAZILIAN COFFEE INSTITUTE
To: STATE BRASÍLIA
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